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MEMORANDUM FOR: William F. Martin
Executive Secretary
National Security Council

SUBJECT: White Paper on Insurgent/Terrorist Involvement in
International Drug Trade

1. Attached, as requested, is an unclassified report on the growing links between insurgent and terrorist groups and international drug traffickers. This unclassified analysis summarizes what the Intelligence Community knows about these links worldwide. Some insurgent groups are heavily involved in drug trafficking and others have the opportunity, motive, and capability to participate in the drug trade. Evidence of involvement of terrorist organizations with drug traffickers is limited, but the Community considers this an increasingly serious problem.

Executive Secretary

Attachment:
As stated

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SUBJECT: White Paper on Insurgent/Terrorist Involvement in International
Drug Trade

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31 December 1985

White Paper on Insurgent/Terrorist Involvement in International Drug Trade

No nation is immune to the dangers of drug abuse, and no government has proven able to fight the problem alone. Narcotics abuse and trafficking have invaded nations around the world. Traditional producing countries like Pakistan, Peru, and Colombia are being transformed into consuming countries as more and more of their citizens become involved with drugs. Similarly, the so-called transit countries through which the drugs move on their way to final market are also becoming infected by drug abuse as traffickers pay off expeditors with some of the product.

In addition to the incalculable health and social costs, the very security of some nations is being undermined by the corrupting influences of the narcotics trade. This profitable trade generates so much money that traffickers can and do bribe customs officials, police and judges wherever necessary. Worse yet, they are becoming even more ruthless in seeking to frustrate narcotics control efforts.

The level of violence is rising. Drug dealers arranged for the assassination of the Colombian Minister of Justice in April 1984 because he was taking a strong stand against narcotics trade. In Peru, coca eradication workers have been killed on several occasions, and in Mexico recently, 21 policemen were ambushed by armed traffickers.

One of the most alarming trends in recent years has been the growing involvement of some insurgent groups with narcotics growers and traffickers.

Insurgent/terrorist links to drug traffickers are probably deepest and most extensive in Colombia, and have been growing stronger in recent years. The group most active in Colombia's extensive narcotics industry has been the FARC (Revolutionary Armed Forces of Colombia), long identified as the militant arm of the Colombian Communist Party. It is mainly rural-based and divided into a number of small guerrilla "fronts", many of which operate in coca or marijuana growing areas. FARC regularly collects protection money from narcotics growers operating in its territory, uses traffickers' resources to get arms and ammunition, and guarantees the security of a number of clandestine airstrips vital to the traffickers. It also probably engages in coca cultivation and refining. In November 1983, the Colombian army discovered 90 hectares of coca and a processing lab next to an abandoned FARC camp in southern Colombia. Citing an informed source, a leading Colombian newspaper reported in late 1985 that Carlos Lehder, one of the country's leading traffickers, has offered to pay FARC for protection services. Several other militant organizations in Colombia are also connected in one fashion or another with the drug trade. The leftist 19th of April Movement (M-19) cooperated with another major drug trafficker, Jaime Guillot-Lara, who provided them with weapons, with Cuban help, in the early 1980s. The M-19 also carried out the recent bloody siege of the Ministry of Justice in Bogota. Colombian authorities have said that one of the first things they

attacked were the files pertaining to extradition of suspected traffickers to the US. In May 1984, the Colombian press reported that 24 ELN guerrillas (another smaller insurgent group) were in possession of 150 metric tons of marijuana when arrested.

Insurgent groups elsewhere also have the opportunity, motives and capability to participate in the drug trade. For one thing, insurgency and illicit drug cultivation tend to occur in remote regions for the same reasons--the government presence is usually limited, these areas tend to be lightly inhabited and very poor, the local people are often alienated from the national government, and perhaps most importantly, the very remoteness and lack of roads make it hard for police or military forces to control such activity.

Thus, operating in the same or similar regions fosters opportunities for the two types of groups to interact. Drug cultivation or trafficking offer access to large amounts of money which in turn insurgents can use to acquire arms or other supplies. Some insurgent groups tax drug growers and traffickers the way they tax other profitable operations in the areas they control. Others encourage the activity and provide protection from the authorities in return for a share of the profits. A few become full-fledged trafficking operators in their own right. Perhaps the most notorious of such groups is the Burmese Communist Party. Burma is a major producer of opium, and between one-half to two-thirds of it is grown in areas controlled by leftist and ethnic separatists, mainly the BCP, which oversees opium production in its area, collects protection taxes and sometimes extracts or forces deliveries from growers. Over the past two years, the BCP has been establishing refineries to convert opium into heroin and begun selling that drug to middlemen itself. The BCP's moves have brought it into increasing conflict with the Shan United Army (SUA), a sort of "warlord" organization that has dominated such refining. Although once an insurgency, the SUA has become little more than a drug trafficking organization.

Elsewhere, Sri Lankan dissidents have been denounced by Colombo for involvement in international drug smuggling to raise money. In March 1985, Italian authorities issued 100 arrest warrants for Tamil drug traffickers, some of whom were connected with the separatist Tamil movement. In the Middle East, Lebanon is a leading producer of hashish, much of which is processed in the Bekaa valley. Some of the warring factions in Lebanon almost certainly obtain revenue from the drug industry either directly or by providing protection to those who smuggle it.

Moreover, insurgents may pose as protectors of local, drug growing peasants against a national government that seeks to eradicate such cultivation. In some areas in Peru, for example, coca cultivation is by far the most profitable work available to the farmers. When the Peruvian government has tried to move against this activity, the major Peruvian insurgent group, Sendero Luminoso, has sought to exploit peasant unhappiness.

Links between traffickers and insurgent groups are likely to grow over time. Large areas of Colombia, Peru, Bolivia, Burma, and Pakistan are already nearly beyond the effective reach of national police and military forces. If and when these national governments make even stronger efforts to control and eradicate narcotics trafficking, there will be a greater danger that local

inhabitants will turn to insurgents for help in maintaining their narcotics business. Alliances between traffickers and insurgents or dissidents are thus likely to be forged.

Terrorist involvement in the narcotics business has been less visible than insurgent links to the industry. But terrorists and traffickers also have a lot in common--both operate underground, both are willing to use violence, both want access to easy money, and both are involved in one form or another of smuggling.

Armenian terrorists have operated in many countries, but many seem to be based in Beirut. It seems almost inevitable in that climate of smuggling and violence, that some drug profits make their way into terrorist coffers. In the early 1980s, a number of Armenian narcotics smugglers were linked to various Armenian terrorist groups. Palestinian terrorist groups are also probably involved, at least at low levels, with at least some forms of drug trade, and/or with the common mechanisms used by both types of organization to move illicit goods. [Note: The Peruvian insurgent group, Sendero Luminoso also engages in terrorist tactics as do many other insurgent groups.]

Drug abuse in the Basque region of Spain has grown over the past few years, and so have press allegations that the Basque terrorist group ETA has been involved in the trade. There have also been many press reports that the Italian Red Brigades get at least some of their funding from the drug trade. Similarly, Turkish terrorists of both right and leftist persuasions have been linked to narcotics smuggling.

Since terrorist groups are small and secretive, ties between narcotics traffickers and terrorists are harder to detect. Moreover, terrorists tend to need less money per member for their operations; thus few drug deals, hard to detect amid the welter of traffickers, would suffice to support a terrorist group for some time.